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General Assembly

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Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development
Resumed organizational session
30 May 2000
Items 3 and 4 of the provisional agenda*

Consultations of the Bureau of the Preparatory Committee with all relevant stakeholders on the modalities of their participation, including the possibility of creating a joint task force, in both the substantive preparatory process and the high-level international event

Preparation for the substantive preparatory process and the high-level international event

Preparations for the substantive preparatory process and the high-level international event

Second report of the Bureau of the Preparatory Committee

1. The report presented by the Bureau of the Preparatory Committee for the High-Level International Intergovernmental Event on Financing for Development at the Preparatory Committee's resumed organizational session held beginning 27 March 2000 (A/AC.257/6) contained its initial ideas on the modalities of participation of all relevant stakeholders in the financing for development process. It mentioned, however, that not all aspects of the consultation process could be covered in the short time between the conclusion of the Preparatory Committee's organizational session and its first resumed organizational session.

2. In light of this, and in view of the content of the draft resolution of the Preparatory Committee recommended on 31 March 2000 for adoption by the General Assembly (A/AC.257/L.1/Rev.1), it was agreed that the Bureau should continue consultations intensively with the institutional stakeholders indicated in paragraph 11 (e) (i) of Assembly resolution 54/196 on modalities for their participation and to report to the Preparatory Committee thereon as soon as possible.

World Bank

3. The Preparatory Committee has approved proposals regarding modalities for a three-tiered participation of the World Bank in the financing for development process. However, in its draft resolution the Preparatory Committee requested the Bureau to seek clarification of some aspects of these modalities and to convey to the World Bank its desire that the Bank would participate actively in the Preparatory Committee. This was achieved through an interchange

* A/AC.257/3/Rev.1

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of letters between the Co-Chairmen of the Preparatory Committee and the Managing Director of the World Bank (see annex I).

International Monetary Fund

4. In its previous report, the Bureau indicated that consultations with the International Monetary Fund (IMF) were being vigorously pursued and that the Acting Managing Director of IMF had informed the Co-Chairs that its Executive Board was being consulted on the matter and on the possibility of arranging for a meeting of the Board with the Bureau.

5. Following up on this, the two Co-Chairmen traveled to Washington, D.C., on 4 May to attend a working lunch hosted by the Deputy Managing Director of the Fund, Eduardo Aninat. This meeting too proved to be very useful and constructive, and the Deputy Managing Director offered all his help with respect to bringing the matter to the attention of the Executive Board and trying to arrange for a Board-Bureau meeting as soon as possible. The Co-Chairmen also had a courtesy meeting with the new Managing Director of IMF, Horst Köhler, at which he indicated his interest in the financing for development process and his hope of continuing to engage the Fund more closely in the work of the United Nations in general, and of cooperation for development in particular.

6. The above notwithstanding, it has not yet been possible to arrange the desired meeting between the Bureau and the Executive Board of IMF, at which a discussion on possible modalities for participation of the Fund in the financing for development process would take place. The Bureau was informed that this was due mostly to scheduling problems on the part of the Fund, which has recently been faced with particularly heavy work in connection with the spring meetings and the arrival of the new Managing Director.

World Trade Organization

7. The Bureau traveled to Geneva on 19 May 2000 to participate in an informal meeting at the headquarters of the World Trade Organization with permanent representatives to the World Trade Organization and senior officials of the World Trade Organization Secretariat. The three-hour meeting was chaired by Ambassador Kare Bryn of Norway, Chairman of the World Trade Organization General Council, and attended by over 100 delegates from the Geneva missions of the members States to the World Trade Organization. The discussion and dialogue, which took place in a very frank, open and friendly atmosphere, were characterized by all those involved as having proved extremely useful and productive and as having led to a greater understanding and appreciation of each other's perspectives. Many delegates to the World Trade Organization expressed not only a strong interest in the United Nations financing for development initiative, but also a belief that the financing for development process should input in many positive ways in forthcoming discussions on various issues at the World Trade Organization.

8. On the specific issue of design of modalities for an intergovernmental participation of the World Trade Organization in the financing for development process, most speakers were of the view that the matter required further study and consideration on the part of World Trade Organization members, especially given the sui generis, contractual nature of the organization. It was suggested that the issue be referred to the World Trade Organization Committee on Trade and Development which would report back to the General Council with recommendations. Regardless of what modality is set up, it was strongly felt that World Trade Organization delegations should follow closely the financing for development process and that an interchange with the United Nations exercise should consist of a mutually reinforcing, two-way process.

9. The secretariat of the World Trade Organization was equally committed to involving itself in the financing for development initiative and, pending an agreement on modalities, indicated that it would plan on accrediting a delegation of secretariat officials to participate in the forthcoming sessions of the Preparatory Committee. Although the World Trade Organization secretariat did indicate that owing to financial considerations it might not be in a position to consider full-time secondment of staff to the New York Co-ordinating Secretariat, the World Trade Organization secretariat also expressed interest in interacting and staying in close touch with the New York co-ordinating secretariat and the willingness to do so.

United Nations Conference on Trade and Development (UNCTAD)

10. While in Geneva, on 19 May, the Bureau took the opportunity to have an in-depth exchange of views with the Chairman and other members of the United Nations Conference on Trade and Development (UNCTAD) Trade and Development Board on how UNCTAD could best further facilitate and enrich the process of financing for development. The Secretary-General, Deputy Secretary-General and other senior officials in the UNCTAD secretariat were also present. The important role of UNCTAD in assisting developing countries in preparing for the financing for development deliberations and in organizing the forthcoming consultations to be held at the regional level, was also highlighted in the discussion.

Other stakeholders

11. In Geneva, the Bureau also met with a representation of high-level secretariat officials at the World Intellectual Property Organization, (WIPO) who expressed an interest in following closely developments in the financing for development process and their disposition to provide any information or support required by the Preparatory Committee.

12. As far as non-governmental organizations were concerned, the receipt of registration applications of non-governmental organizations not already in consultative status with the Economic and Social Council was begun on 3 April, following corresponding decisions taken by the Preparatory Committee at its resumed organizational session on 31 March. These applications will be referred to the membership of the Preparatory Committee by the Bureau once a sufficient number have been received and processed by the coordinating secretariat.

13. The Preparatory Committee also requested the Bureau to report on possible proposals and recommendations for additional modalities for participation of the private sector. The coordinating secretariat has begun the work of categorization and drawing up of lists of the different types of private sector stakeholders with a view to organizing the "hearings" that are to take place in the last quarter of this year. The Bureau intends to consider in due course other possible modalities for participation and involvement of the private sector in the financing for development process.

Form, venue, timing, duration and format of the final event

14. The Preparatory Committee, in draft resolution A/AC.257/L.1/Rev.1, operative paragraph 5, requested the Bureau to make recommendations to the Preparatory Committee at its resumed organizational session on the form, venue, timing, duration and format of the final event and on the programme of work of the Preparatory Committee (corresponding to paragraph 11 (a), (b), (c) and (g) of General Assembly resolution 54/196).

Form

15. The report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development[1] states in paragraph 20 (a) and (b) that the final event should be a high-level intergovernmental event of political decision makers, at least at the ministerial level, and that it should attract the attention of diverse national departments and ministries, for example, of finance, commerce, development, foreign affairs and so forth. In paragraph 20 (f) the same report calls for a self-standing event, linked with the Assembly. In addressing this issue, many delegations have indicated their view that, in order to confer upon it the desired status and political visibility, the final event should consist of a self-standing international conference, convened by the United Nations.

Venue

16. With regard to the possible venues for the final event, a letter was addressed by the Co-Chairman, on behalf of the Preparatory Committee, to all the Permanent Missions to the United Nations, seeking their views and any proposals on the matter. One reply has been received so far, from the Permanent Representative of Kenya to the United Nations, dated 1 May 2000 (annex II), in which he indicates that Kenya hosts the only United Nations office in the developing world, that Kenya feels that it would be most appropriate for the high-level conference to be held in Nairobi, and that Kenya would be grateful if the United Nations Office at Nairobi was considered a venue for the conference.

Timing

17. Although the issue of timing is of course closely linked to that of venue, the Bureau nonetheless wishes to note that, in order for the final event to take place, as requested by the General Assembly, in the year 2001, it should be scheduled for some time before the end of the first semester of the year. After the month of June, the calendar of United Nations activities becomes crowded.

Duration

18. With regard to duration, the report of the Ad Hoc Open-ended Working Group of the General Assembly on financing for development recommends in paragraph 20 (f) and (g) that the final event should include a high-level (ministerial) segment of three-to-four days' duration and that this segment should be preceded by an effective and participatory preparatory stage. If the preparatory stage, which could be at the level of senior officials, were to have a length of five days, the whole final event would encompass an eight-to-nine-day period.

Format

19. The Bureau has already recommended in its first report (A/AC.257/6), based on the recommendations of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development and the relevant Assembly resolutions, that the final event should be a meeting of the Member States of the United Nations, to which observer States would be invited (para. 4) and that all decisions to be taken by the high-level event and the Preparatory Committee would be the decisions of States (ibid.) This notwithstanding, the Bureau also recommends that ways and means continue to be designed to ensure — as was also recommended by the Ad Hoc Open ended Working Group — that both the final event and the preparatory process involve the participation by all relevant stakeholders and that both the event and process have a high level of public and media visibility and public awareness.

Programme of work of the Preparatory Committee

20. The Preparatory Committee has already decided to hold its second substantive session of two weeks' duration in the first quarter of 2001 and its third substantive session of two weeks' duration in the second quarter of 2001, at United Nations Headquarters. It has also decided on the holding of regional preparatory meetings and of hearings with the private sector and non-governmental organization communities, in the second semester of 2000, which should contribute to the overall substantive preparation of the final event.

21. Although the definitive dates for the above have not yet been set, work is being pursued on all these matters, particularly by the financing for development coordinating secretariat. The Secretary-General will present a separate note to the Preparatory Committee reporting on this work, *inter alia*, on initial arrangements for preparation of the substantive documentation to be submitted to the sessions in 2001 of the Preparatory Committee.

Clarification of the agenda

22. The Preparatory Committee, in operative paragraph 6 of its draft resolution, requested the Bureau to make arrangements for open-ended informal consultations on paragraph 11 (d) of General Assembly resolution 54/196 (clarification of the agenda), before the convening of the substantive session. These consultations were held from 10 to 12 May, at which time, after a rich discussion in which delegations were able to express their views on the matter, a "facilitator" was appointed to continue the work, through informal-informal consultations. The report of the Facilitator, Mauricio Escanero (Mexico), will be presented directly to the Preparatory Committee at its second resumed organizational session and the Bureau recommends that the task of clarifying, and agreeing on, the agenda be pursued and completed in the context of the first substantive session, to be held beginning 31 May.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 28* (A/54/28).

Annex I

Interchange of letters between the Co-Chairman of the Preparatory Committee and the Managing Director of the World Bank

PREPARATORY COMMITTEE FOR THE HIGH-LEVEL INTERNATIONAL INTERGOVERNMENTAL EVENT ON FINANCING FOR DEVELOPMENT

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7 April 2000

Dear Mr. Sandstrøm, Sven,

I have the honour to enclose the text of the decision adopted by the Preparatory Committee last Friday 31 March. As you can see, the PrepCom welcomed the report presented by the Bureau on modalities for participation of relevant stakeholders in the Financing for Development process and approved the main proposals and recommendations contained in the report, including those relating to the participation of the World Bank as discussed with you and the Executive Board at our meetings on 15 March and referred to in the notes prepared by you and copied in the Bureau's own report.

With regard to the "three-tier consultative intergovernmental mechanism" and in view of the structural differences between our organizations, the Preparatory Committee requested us to seek further clarification on the nature and operationalization of tier (c), that is, the consultations that would take place between the Bureau and a senior-level Bank team to be designated from the Bank management and Staff. The Preparatory Committee understands that this modality of consultations is intended to be a complement and auxiliary support to the first official modality (direct Bureau to Board consultations) in order to "ensure regular and full collaboration, in recognition of the need to maintain a close ongoing relationship". We also understand that this senior-level Bank team would be fully empowered and mandated to act on behalf of the Bank's Executive Board and that it would be distinct and separate from the Bank staff team seconded to work with the coordinating secretariat.

The Preparatory Committee also asked us to convey to you its desire that the World Bank participate actively in the proceedings of the Preparatory Committee, to reinforce the impact of the cooperation envisaged under the proposed modalities. In this regard, Mr. Amar Battacharya's participation in last week's session was most productive and appreciated by the Committee.

With renewed thanks for your interest in this matter,

Yours sincerely,

Jørgen Bøjer

Mr. Sven Sandstrøm
Managing Director
World Bank

Vice-Chairpersons

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SVEN SANDSTROM
Managing Director

April 19, 2000

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MAY - 1 2000

By fax: (212) 963-1010

Dear Ambassador Bøjer,

Thank you for your letter of April 7, 2000, advising that the Preparatory Committee approved the main proposals and recommendations of the Bureau's report relating to the World Bank, based on the discussions last month in Washington.

You asked for further clarification on the role of the Bank's high-level team and its interactions with the Bureau. I would like to confirm that this modality of consultation is indeed intended to complement the direct Board-to-Bureau consultations in order to ensure regular and full collaboration with the Bureau. This team will be fully empowered and mandated by the Bank's Board and Management to carry out these discussions on the Bank's behalf.

I am pleased to inform you that Mr. Mats Karlsson, Vice President of U.N. Affairs, will be the focal point for the ongoing high-level consultations with the Bureau. We also welcome your invitation to participate actively in the Preparatory Committee, and see it as a key element in ensuring close collaboration and fostering ownership. Mr. Karlsson (or his designate) will represent the Bank at the three proposed sessions of the Preparatory Committee.

As is our normal practice, Mr. Karlsson will consult with the Board and its members as needed during the process. He will also draw on senior managers throughout the Bank, especially the Vice Presidencies for Poverty Reduction and Economic Management, Development Economics, Operational Policy, and Resource Mobilization.

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I am also pleased to inform you that the Bank is appointing Mr. Enrique Rueda-Sabater as the senior representative of the Bank for day to-day interaction with the secretariat that has been established for the high-level event. Mr. Rueda-Sabater has broad-based policy and operational experience in development finance and other key areas of relevance for the event. He will play the lead role in organizing the substantive work and input from the Bank and in representing the Bank's views in the regional and issues-based discussions that may be organized related to the event. He will also be able to provide the Bank's views on the substantive issues and agenda as needed during your informal discussions.

I trust that these arrangements will be acceptable to the Bureau and will provide the basis for us to move concretely forward.

With best regards,

Sincerely yours,

Sven Sandström

cc: H.E. Asda Jayanama, Co-Chair, Preparatory Committee
Mr. Andrei Bugrov, Dean, World Bank Board of Executive Directors

Annex II

Reply from the Permanent Representative of Kenya to the United Nations regarding the venue of the high-level event

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NO. 347/2000

1 May, 2000

Excellency

RE: PRELIMINARY DATA AND INFORMATION ON HOSTING A HIGH LEVEL INTER-GOVERNMENTAL EVENT ON FINANCING FOR DEVELOPMENT IN THE YEAR 2001

I acknowledge with thanks receipt of your letter dated 11 April, 2000 seeking views or proposals including possibilities for offers to host the high level Inter-Governmental Event on Financing for Development in the year 2001.

Kenya, as you are well aware, hosts the only U.N. Centre in the developing world. The subject itself is of great concern to developing countries. We feel that it would be most appropriate for the High Level Conference to be held in Nairobi. While we continue with our consultation on the matter, especially with regard to costs and other logistics, we would be grateful if the United Nations Centre in Nairobi, Kenya was considered as a venue for the Conference in 2001.

Yours Sincerely,

F.M. Kuindwa, EGH, EBS
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